

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7898

BILL NUMBER: SB 502

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Health Benefit Task Force Reports.

FIRST AUTHOR: Sen. Hershman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill specifies that, unless a rule of the House of Representatives or Senate specifies otherwise, a legislative floor amendment, bill, or resolution that contains a mandated health care coverage benefit proposal may not receive final consideration unless the floor amendment, bill, or resolution is accompanied by a report containing certain information.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Under current law, the Insurance Commissioner establishes a nine-member task force to review mandated benefits and mandated benefit proposals as determined by the task force. The members of the task force serve on a voluntary basis without reimbursement, and the Department of Insurance provides administrative support.

Under the bill, the task force would review mandated benefit proposals (amendments, bills, or resolutions pending before the General Assembly) prior to final consideration by a chamber or standing committee. Also, under the bill, the Department of Insurance would provide actuarial support for the functions of the task force.

Assuming that additional time would be required of the task force and administrative staff to review mandated benefit proposals, administrative costs would increase. Currently, the task force meets once a month, and the Department of Insurance provides an attorney on a part-time basis (20 hours a month) to administer the task force.

Additionally, the task force would be assigned actuarial support. Currently, the Department of Insurance does

not employ actuaries. The additional cost for actuarial services would depend on administrative actions.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background Information: As of December 20, 2004, there were 18 vacant positions in the Department of Insurance with combined salaries of approximately \$620,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance; General Assembly.

Local Agencies Affected:

Information Sources: Debra Webb, Department of Insurance.

Fiscal Analyst: Karen Firestone, 317-234-2106.